

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1545-01  
Bill No.: HB 552  
Subject: Conservation Department; Retirement–State; Retirement Systems and  
Benefits–General  
Type: Original  
Date: March 1, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Various State Funds	\$0	(\$919,320)	(\$942,303)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>(\$919,320)</b>	<b>(\$942,303)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

The **Joint Committee on Public Employee Retirement** assumes this legislation is a “substantial proposed change” in future plan benefits as defined in Section 105.660(5), and that an actuarial cost statement must be provided prior to action on the bill by either legislative body or committee thereof.

The **Office of Administration** notes that the Missouri State Employees’ Retirement System should determine any possible cost of this proposal through an actuarial cost statement.

The **Missouri State Employees’ Retirement System (MOSERS)** assumes the proposal will provide uniformed conservation agents (both active and terminated-vested employees), retirees, and survivors with an additional 33.3% retirement benefit in the Missouri State Employees’ Plan (MSEP), the “closed” plan. The benefit multiplier would increase from 1.6% to 2.13% of average compensation times the years of credited service for these members. Based on an actuarial analysis obtained by MOSERS, the proposal would increase the state’s contribution rate for the general employee plan from 11.59% to 11.64%. Based on a projected June 30, 2002 payroll of \$1,838,639,000, the annual increase in contributions to MOSERS would approximate \$919,320. Additionally, MOSERS officials note their concern that the proposal could result in equal protection lawsuits, which have resulted in significant costs to MOSERS and the state in the past.

Officials with the **Department of Conservation** were unsure whether the increased contributions to be required as a result of this proposal would be paid by all MOSERS contributors, or if the costs would be borne by the Department alone. Based on the response from MOSERS, **Oversight** assumes the increased contributions will be made by all MOSERS contributors, and has shown the fiscal impact as such.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>VARIOUS STATE FUNDS</b>			
<u>Costs</u> —Increased Contributions to MOSERS	<u>\$0</u>	<u>(\$919,320)</u>	<u>(\$942,303)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill increases the retirement benefit for uniformed conservation agents under the existing Missouri State Employees' Retirement System by one-third. Uniformed conservation agents who are currently receiving retirement benefits and their beneficiaries are made special consultants whose benefit will be equal to the benefit the person would be receiving if the one-third increase had been in place when the employee retired.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement  
Office of Administration  
Missouri State Employees' Retirement System  
Department of Conservation



Jeanne Jarrett, CPA  
Director

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